

Super-amortization and Hyper-amortization

AT A GLANCE

SUPER-AMORTIZATION AND HYPER-AMORTIZATION

Aim: Facilitate business investments by allowing an extra-amortization on the purchase of certain tangible assets.

Qualifying persons: Enterprises of any type permanent establishments and self-employed only in the case of Super amortization.

Qualifying purchases: The increased amortization charge fixed at 40% (Super-amortization) is applicable to purchases realized from 15 October 2015 to 31 December 2017. The amortization charges are increased up to 150% of their value (Hyper-amortization) for listed “smart equipment” (Industry 4.0 Plan) – purchased from 1 January 2017. An additional 40% Super-amortization is also introduced for certain intangible assets such as software, IT systems and platforms related to the “Industry 4.0 Plan”.

Benefits: The fiscal amortization charges in relation to purchases of new capital goods will increase their value by 40% or 150% with respect to their acquisition cost, for the whole amortization period.

What is it

The Super-amortization and the Hyper-amortization measures aim at facilitating business investments by allowing an extra-amortization on the purchase of certain tangible assets, in order to stimulate the renewal of capital goods.

Who can use it

Enterprises of any type are entitled to benefit of the increased fiscal amortization charges. The benefits are also granted to permanent establishments in Italy of non-resident investors. The Super-amortization is also applicable to purchases realized by self-employed.

Which purchases are eligible

Super-amortization: the increased amortization charge is fixed at 40% and is applicable in relation to purchases realized from 15 October 2015 to 31 December 2017. The purchase period is extended up to 30 June 2018, on condition that purchase orders have been accepted by the seller by 31 December 2017 and that at least 20% of their price has been paid by the same date.

Hyper-amortization: The amortization charges are increased up to 150% of their value for some listed “smart equipment” which is allowed to benefit from specific digital and technological transformation processes under the model promoted by the Italian Government plan “Industry 4.0”. This benefit is applicable to purchases realized from 1 January 2017. Another additional 40% Super-Amortization is also introduced for certain intangible assets such as software, IT systems and platforms related to the Government plan for industrial growth named “Industry 4.0 Plan”.

Benefits

The fiscal amortization charges in relation to purchases of new capital goods will increase their value by 40% or 150% with respect to their acquisition cost, for the whole amortization period.